

NationNet Communications Corporation  
Ralph Monroe, President  
35 Carriage House Drive # 3  
Jackson, TN 38305

REC'D TH  
REGULATORY AUTH.  
01 JUN 18 PM 3 40  
OFFICE OF THE  
EXECUTIVE SECRETARY

RE: NationNet Communications Corporation ( Docket No. 01-00447)

Dear Mr. Whitis:

This is the information you requested about our financial sheets.

Item # 1- The December 31, 2000 balance sheet should not reflect account name of Ralph Monroe expense, however the correct account is account receivable- Ralph Monroe.

Item # 2 - The equity section of the December 31, 2000 balance sheet reflected \$127,200.54 in error. This amount should have been \$122,177.58.

Please see revised reports for all applicable corrections.

Sincerely,

Ralph Monroe  
President

**NATIONET COMMUNICATIONS CORP**  
**Statement of Cash Flows**  
**For the Period of December 31, 2000**  
**Increase (Decrease) in Cash or Cash Equivalents**

8 Months Ended  
December 31, 2000

Cash Flow from operating Activities	
Net Income (Loss)	(122,177.58)
Adjustments to Reconcile Cash Flow	
Decrease (Increase) in Current Assets	
Notes Receivable Ralph Monroe and Amy Marcella	
Start Up Expenses	(100,000.00)
RALPH MONROE EXPENSE	(33,097.04)
Ralph Monroe Expense	(1,987.27)
Increase (Decrease) in Current Liabilities	
Notes Payable to Ralph Monroe and Amy Marcella	309,500.00
Federal Withholding Payable	604.80
FICA Tax Payable	442.04
State Unemployment Payable	<u>23.11</u>
Total Adjustments	175,485.64
Cash Provided (Used) by Operations	53,308.06
Cash Flow Investing Activities	
Sales (Purchases) of Assets	
Office Equipment	(10,227.83)
Equipment and Tools	(147,080.71)
Cash Provided (Used) by Investing	(157,308.54)
Cash Flow From Financing Activities	
Cash (Used) or provided by:	
Demand Note Payable	36,290.42
Common Stock	1,000.00
Paid in Surplus	<u>100,000.00</u>
Cash Provided (Used) by Financing	<u>137,290.42</u>
Net Increase (Decrease) in Cash	33,289.94
Cash at End of Period	33,289.94

8 Months Ended  
December 31, 2000

(122,177.58)

(100,000.00)

(33,097.04)

(1,987.27)

309,500.00

604.80

442.04

23.11

175,485.64

53,308.06

(10,227.83)

(147,080.70)

(157,308.53)

36,290.42

1,000.00

100,000.00

137,290.42

33,289.94

33,289.94

NATIONNET COMMUNICATIONS CORP  
Income Statement  
For the Period Ended December 31, 2000

	<u>8 Months Ended</u> <u>December 31, 2000</u>	<u>Pct</u>	<u>8 Months Ended</u> <u>December 31, 2000</u>
Revenue			
Cost of Sales			
Supplies	3,080.00	0.00%	3,080.00
TOOLS & SUPPLIES	222.55	0.00%	222.55
Total Cost of Sales	3,302.55	0.00%	3,302.55
Gross Profit	(3,302.55)	0.00%	(3,302.55)
Operating Expenses			
Accounting	325.00	0.00%	325.00
Bank Charges	16.50	0.00%	16.50
Commissions	8.00	0.00%	8.00
Equipment Rental	3,548.56	0.00%	3,548.56
Interest	631.56	0.00%	631.56
Legal	59,104.03	0.00%	59,104.03
Office Expense	159.40	0.00%	159.40
Rent	19,695.00	0.00%	19,695.00
Repairs and Maintenance	2,134.70	0.00%	2,134.70
Salaries--Officers	2,000.00	0.00%	2,000.00
Salaries and Wages	2,889.24	0.00%	2,889.24
Taxes--Payroll	244.13	0.00%	244.13
Taxes--Other	1,218.50	0.00%	1,218.50
Telephone	8,115.92	0.00%	8,115.92
Travel	17,886.54	0.00%	17,886.54
Utilities	328.55	0.00%	328.55
Warehouse Expense	569.40	0.00%	569.40
Total Expense	118,875.03	0.00%	118,875.03
Operating Income	(122,177.58)	0.00%	(122,177.58)
Net Income (Loss)	(122,177.58)	0.00%	(122,177.58)

Pct

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NATIONNET COMMUNICATIONS CORP.  
Balance Sheet  
December 31, 2000

LIABILITIES AND EQUITY

Current Liabilities

Notes Payable Ralph Monroe and Amy Marcella	309,500.00
Federal Withholding Payable	604.80
FICA Tax Payable	442.04
State Unemployment Payable	23.11

Total Current Liabilities	<u>\$310,569.95</u>
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Long Term Liabilities

Demand Note Payable	36,290.42
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Total Long Term Liabilities	<u>\$36,290.42</u>
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Equity

Common Stock	1,000.00
Paid in Surplus	100,000.00
Current Income (Loss)	(122,177.58)

Total Equity	<u>(\$21,177.58)</u>
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Total Liabilities & Equity	<u>\$325,682.79</u>
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NATIONNET COMMUNICATIONS CORP

Balance Sheet

December 31, 2000

ASSETS

Current Assets

Cash TRUSTMARK NATIONAL BANK	33,289.94
Notes Receivable Ralph monroe and Amy Marcella	100,000.00
Start Up Expenses	33,097.04
Account Receivable RALPH MONROE	1,987.27

Total Current Assets

Fixed Assets

Fixtures and Equipment	157,308.54
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Total Fixed Assets

Other Assets

Total Assets

\$168,374.25

\$157,308.54

\$325,682.79



# TENNESSEE REGULATORY AUTHORITY

Sara Kyle, Chairman  
Lynn Greer, Director  
Melvin Malone, Director

REC'D IN  
REGULATORY AUTH.

460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

JUN 18 PM 3 40

June 11, 2001  
OFFICE OF THE  
EXECUTIVE SECRETARY

Mr. Ralph Monroe  
President and CEO  
NationNet Communications Corporation  
35 Carriage House Drive #3  
Jackson, TN 38305

RE: NationNet Communications Corporation (Docket No. 01-00447)

Dear Mr. Monroe:

The Tennessee Regulatory Authority requests the following information regarding the application of NationNet Communications Corporation (hereafter "NationNet" or "Applicant") for a Certificate of Public Convenience and Necessity to provide intrastate and interexchange telecommunications services, local exchange services through the use of its own facilities and the resold services of incumbent local exchange carriers and special access local exchange services in the areas served by BellSouth Telecommunications, Inc. ("BellSouth") as defined by TCA §65-4-101(e).

## **Financial Requirements:**

Please provide the following financial information:

1. Why does the December 31, 2000 balance sheet reflect an account named "Ralph Monroe Expense" in the asset section of the financial statements?
2. The equity section of the December 31, 2000 balance sheet reflects current income of (\$127,200.54) and the 8 months ended December 31, 2000 income statement reflects net income of (\$122,177.58) and the December 31, 2000 statement of cash flows' beginning balance for net income (loss) reflects (\$127,200.54). Please explain the various net income amounts utilized in the financial statements.

Please submit the requested information by June 25, 2001. If you have any questions, please contact Darrell Whitis at (615) 741-2904 (ext. 132).

Sincerely,



David Waddell  
Executive Secretary

C: Docket File